

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

JOHN J. WOODS, ET AL.,

Defendants,

Civil Action No.
1:21-cv-3413-SDG

**FIFTH APPLICATION FOR COMPENSATION TO
MIDDLESWARTH, BOWERS & COMPANY, LLC,
ACCOUNTANTS AND BUSINESS VALUATION
SERVICES PROVIDER FOR THE RECEIVER**

A. Cotten Wright, the duly-appointed receiver (the “Receiver”) for Horizon Private Equity, III, LLC (“Horizon”) and certain assets of John J. Woods (“Woods”) in the above-captioned civil action (this “Case”), hereby submits this *Fifth Application for Compensation for Middleswarth Bowers & Company, LLC, Accountants and Business Valuation Services Provider for the Receiver*, for the period of July 1, 2022 through September 30, 2022 (the “Application Period”), and respectfully represents as follows:

1. On August 20, 2021, the U.S. Securities and Exchange Commission (the “Plaintiff”) filed a *Complaint* (Doc. No. 1) against Woods, Horizon, and Livingston Group Asset Management Company alleging violations of the Securities Act of 1933, the Securities and Exchange Act of 1934, the Investment Advisers Act of 1940, and various regulations promulgated thereunder, thereby initiating this Case. On September 1, 2021, the Court entered its *Order Appointing Receiver* (the “Receivership Order”), pursuant to which the Receiver was appointed to perform certain duties as set forth in that Order.¹ (Doc. No. 26).

2. Pursuant to the Receivership Order, the Receiver is authorized to retain professionals, including accountants and business advisors, to assist in carrying out her duties as Receiver. (Doc. No. 26, pg. 6). On September 10, 2021, the Court entered an Order authorizing the Receiver to employ Middleswarth, Bowers & Company, LLC (“Bowers”) as accountants for the Receivership estate. On October 21, 2021, the Court entered an Order authorizing the Receiver to employ Bowers to provide business valuation services to the Receiver. (Doc. No. 83).

¹ The Receivership Order was amended on September 9, 2021 to correct certain typographical errors. (Doc. No. 53).

3. During the Application Period, Bowers continued to review records available to create an initial accounting relative to Horizon investors' accounts and a final accounting of the same. Bowers participated in calls with the SEC relative to accounting issues. Bowers also devoted time to efforts to reconcile in-flows and out-flows from accounts held in Horizon's name. The other major component of Bowers time was spent on valuation services relative to the various assets in which Horizon owns fractional interests.

4. Attached hereto as **Exhibit A** is documentation itemizing the fees and expenses incurred by Bowers in connection with its representation of the Receiver for the Application Period. The Receiver contends that Bowers has spent the following time in performing the services referred to herein as accountants for the Receiver, and she is informed and believes that Bowers' services rendered as accountants for the Receiver are reasonably worth the sum as set forth below and that Bowers should be allowed and paid said sum as fees and as a cost of this estate:

Professional	Hours	Rate	Total
Edward P. Bowers, Partner	56.45	\$285	\$16,088.25
Michael T. Bowers, Partner	107.74	\$285	\$30,705.90
Akiko Bowers, Bookkeeper	0.00	\$85	\$0.00
Total:			\$46,794.15
Expenses			\$0.00
Total Fees & Expenses:			\$46,794.15

5. The Receiver respectfully submits that the services for which Bowers seeks compensation were necessary for, and beneficial to, the orderly administration of the Receivership Estate.

WHEREFORE, the Receiver prays that the Court will enter an Order allowing compensation of **\$46,794.15** and reimbursement of expenses of **\$0.00** to Bowers as accountants and business valuation service providers for the Receiver; authorizing the payment of any allowed fees and expenses from the funds of the Receivership estate in accordance with the SEC Guidelines and Billing Instructions; and granting such further relief as is just and proper.

Dated this 19th day of October, 2022.

/s/ A. Cotten Wright
A. Cotten Wright (State Bar No. 28162)
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Attorneys for the Receiver

/s/ W. Russell Patterson, Jr.
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Attorneys for the Receiver

Exhibit A – Summary of Prior Fee Applications

Exhibit B – Bowers' Invoice for Application Period

Exhibit C – Receiver's Certification

EXHIBIT A
SUMMARY OF PRIOR FEE APPLICATIONS

<u>Application Date</u>	<u>Accountant Fees Applied For</u>	<u>Accountant Expenses Applied For</u>	<u>Accountant Fees & Expenses Received</u>
10/05/21	4,189.50	0.00	4,189.50
01/04/22	77,237.00	7,471.50	84,708.50
04/05/22	48,017.85	0.00	48,017.85
07/11/22	48,289.80	7,510.01	55,799.81

EXHIBIT B
USER TIME SUMMARY

	<u>Title</u>	<u>Hours</u>	<u>Rate</u>	<u>Total</u>
Fees:				
	Edward P. Bowers	Partner	56.45	285.00
	Michael T. Bowers	Partner	107.74	285.00
	Akiko Bowers	Bookkeeper	0.00	85.00
				<u>0.00</u>
			Total Fees	<u>46,794.15</u>
Expenses:				
				<u>0.00</u>
			Total Expenses	<u>0.00</u>
			Total Fees & Expenses	<u><u>46,794.15</u></u>

Middleswarth, Bowers & Co. L.L.P.

Invoice by WorkType with Subtotals

Invoice #I-615

Bill Date Time Date	Client ID Employee	Client Name WorkCode	Hours	Amount	Description
09/30/2022	90105	Horizon Private Equity			
WorkType:601A - Tax Issues					
08/29/2022	EPB	601 - TAX ISSUES	0.1	\$28.50	Email re investor question and sale of assets.
09/16/2022	MTB	601 - TAX ISSUES	8.0	\$2,280.00	Research on settlement funds and tax procedures for 2021 return
09/20/2022	MTB	601 - TAX ISSUES	8.0	\$2,280.00	Work on tax research for settlement fund and other issues on tax return
09/22/2022	MTB	601 - TAX ISSUES	8.0	\$2,280.00	Work on tax return trial balance and asset basis worksheets
09/23/2022	MTB	601 - TAX ISSUES	8.0	\$2,280.00	Work on 2021 trial balance and review of assets for basis
09/26/2022	MTB	601 - TAX ISSUES	8.0	\$2,280.00	Work on assets and worksheets for tax return for 2021
09/27/2022	MTB	601 - TAX ISSUES	0.1	\$28.50	Call with Cotten re: asset listing for tax return
09/27/2022	MTB	601 - TAX ISSUES	0.25	\$71.25	Email and call with Anna re: asset listing
09/27/2022	MTB	601 - TAX ISSUES	3.05	\$869.25	Continue work on assets and worksheets for tax return
09/28/2022	MTB	601 - TAX ISSUES	4.0	\$1,140.00	Work on tax return for 2021
09/29/2022	MTB	601 - TAX ISSUES	1.0	\$285.00	Work on attachments to tax return and other supporting documents.
Subtotal WorkType:601A - Tax Issues			48.5	\$13,822.50	
WorkType:602A - Accounting Services					
07/01/2022	MTB	602 - ACCOUNTING	0.45	\$128.25	Prepare 2nd Quarter 2022 report
Subtotal WorkType:602A - Accounting Services			0.45	\$128.25	
WorkType:603A - Forensic Services					
07/01/2022	EPB	603 - FORENSIC	3.25	\$926.25	Continued work on new documents re Oppenheimer
07/05/2022	EPB	603 - FORENSIC	2.5	\$712.50	Continued work on Oppenheimer analysis
07/05/2022	EPB	603 - FORENSIC	2.15	\$612.75	Review investor account as requested. Email to trustee
07/06/2022	EPB	603 - FORENSIC	0.5	\$142.50	Complete ████████ account analysis. Email to Wright.
07/06/2022	EPB	603 - FORENSIC	0.15	\$42.75	Review ████████ activity. Email to Wright.
07/06/2022	EPB	603 - FORENSIC	0.75	\$213.75	Continued work on Oppenheimer analysis.
07/07/2022	EPB	603 - FORENSIC	2.15	\$612.75	Prepare updated summary re V7. Email to Wright.

Middleswarth, Bowers & Co. L.L.P.**Invoice by WorkType with Subtotals****Invoice #I-615**

Bill Date Time Date	Client ID Employee	Client Name WorkCode	Hours	Amount	Description
09/30/2022	90105	Horizon Private Equity			
07/08/2022	EPB	603 - FORENSIC	3.65	\$1,040.25	Review distributions by Horizon to investors re: rates and/or methodology
07/08/2022	EPB	603 - FORENSIC	0.15	\$42.75	Call with Cotten
07/08/2022	EPB	603 - FORENSIC	1.0	\$285.00	Continued work on Oppenheimer investment accounts. Email report to Wright
07/12/2022	EPB	603 - FORENSIC	0.25	\$71.25	Receive files from SEC. Quick review. Email to Wright.
07/12/2022	EPB	603 - FORENSIC	0.25	\$71.25	Work on Oppenheimer gains/losses from trading activity. Emails to Brittany.
07/12/2022	EPB	603 - FORENSIC	0.15	\$42.75	Look up active dates for trading accounts.
07/14/2022	EPB	603 - FORENSIC	0.5	\$142.50	Conference call
07/14/2022	EPB	603 - FORENSIC	0.1	\$28.50	Call with Wright re investors
07/14/2022	EPB	603 - FORENSIC	0.5	\$142.50	Review email re [REDACTED] [REDACTED] Review detailed investor files. Email to Wright responding to [REDACTED] questions.
07/14/2022	EPB	603 - FORENSIC	0.5	\$142.50	Email from Wright re [REDACTED] Review Provident statements and verify amounts. Prepare reconciliation and email to Wright.
07/14/2022	EPB	603 - FORENSIC	0.1	\$28.50	Email from Tiffany re items of interest. Respond.
07/14/2022	EPB	603 - FORENSIC	0.1	\$28.50	Followup call from Wright re [REDACTED]
07/15/2022	EPB	603 - FORENSIC	0.75	\$213.75	Begin work on transactions Tiffany forwarded.
07/18/2022	EPB	603 - FORENSIC	0.1	\$28.50	Email from/to Wright re investors
07/18/2022	EPB	603 - FORENSIC	1.25	\$356.25	work on exceptions re SEC
07/19/2022	EPB	603 - FORENSIC	3.25	\$926.25	Organize docs. Make notes for call. Email files to Wright to send to Tiffany
07/19/2022	EPB	603 - FORENSIC	0.15	\$42.75	Review [REDACTED] activity. Email to Wright.
07/20/2022	EPB	603 - FORENSIC	0.25	\$71.25	Work on question re [REDACTED] Email to trustee
07/20/2022	EPB	603 - FORENSIC	1.5	\$427.50	Prep for call with Tiffany. Call with Tiffany.
07/20/2022	EPB	603 - FORENSIC	0.5	\$142.50	Work on Wright questions re investors.
07/21/2022	EPB	603 - FORENSIC	0.15	\$42.75	Email re investor. Review detail. Email to Wright.
07/21/2022	EPB	603 - FORENSIC	0.6	\$171.00	Email re [REDACTED] email. research transfers on

EXHIBIT C

Middleswarth, Bowers & Co. L.L.P.

Invoice by WorkType with Subtotals

Invoice #I-615

Bill Date Time Date	Client ID Employee	Client Name WorkCode	Hours	Amount	Description
09/30/2022	90105	Horizon Private Equity			
					Provident and other documents. Email to Wright.
07/21/2022	EPB	603 - FORENSIC	0.4	\$114.00	Work on [REDACTED] exception. Email to Wright.
07/21/2022	EPB	603 - FORENSIC	0.75	\$213.75	Work on investor detail [REDACTED]. Email to Wright
07/22/2022	EPB	603 - FORENSIC	1.0	\$285.00	Review emails from Wright and [REDACTED] re claim. Analyze claim and prepare worksheet from Provident statements. Email to Wright.
07/22/2022	EPB	603 - FORENSIC	1.0	\$285.00	Work on documenting [REDACTED] activity. Email to Wright
07/22/2022	EPB	603 - FORENSIC	1.3	\$370.50	Continued work on [REDACTED] claim.
07/23/2022	EPB	603 - FORENSIC	1.4	\$399.00	Review [REDACTED] reply re claim. Email Wright
07/27/2022	EPB	603 - FORENSIC	0.5	\$142.50	Review [REDACTED] statements and documentation. Respond to Wright
07/27/2022	EPB	603 - FORENSIC	0.15	\$42.75	Review email re [REDACTED]. Review file. respond to Wright
08/02/2022	EPB	603 - FORENSIC	0.5	\$142.50	Call from Wright. Begin review of accounts with issues.
08/02/2022	EPB	603 - FORENSIC	5.25	\$1,496.25	Continued work on accounts with issues per Wright worksheet.
08/03/2022	EPB	603 - FORENSIC	0.5	\$142.50	Continued work on claims with issues.
08/03/2022	EPB	603 - FORENSIC	1.0	\$285.00	Continued work on claims with issues.
08/03/2022	EPB	603 - FORENSIC	0.15	\$42.75	Research [REDACTED] claim. Respond to trustee
08/03/2022	EPB	603 - FORENSIC	0.25	\$71.25	Work on claims with issues and transfer account analysis
08/03/2022	EPB	603 - FORENSIC	0.4	\$114.00	Work on transfer account analysis
08/05/2022	EPB	603 - FORENSIC	1.0	\$285.00	Continued work on claim disputes and adjustments
08/05/2022	EPB	603 - FORENSIC	0.15	\$42.75	Call with Wright re investor claims
08/05/2022	EPB	603 - FORENSIC	0.25	\$71.25	Review investor [REDACTED] detail
08/05/2022	EPB	603 - FORENSIC	1.1	\$313.50	Continued work on additional investor claim disputes/questions
08/05/2022	EPB	603 - FORENSIC	0.75	\$213.75	Work on [REDACTED] claim dispute
08/05/2022	EPB	603 - FORENSIC	0.15	\$42.75	Email from Wright re activity. Respond
08/08/2022	EPB	603 - FORENSIC	2.75	\$783.75	Continued work on investor claims. Questions and disputes.

Middleswarth, Bowers & Co. L.L.P.

Invoice by WorkType with Subtotals

Invoice #I-615

Bill Date Time Date	Client ID Employee	Client Name WorkCode	Hours	Amount	Description
09/30/2022	90105	Horizon Private Equity			
08/09/2022	EPB	603 - FORENSIC	0.5	\$142.50	Work on [REDACTED] CRUT claim. Email to Wright.
08/09/2022	EPB	603 - FORENSIC	0.6	\$171.00	Continued work on investor claims.
08/09/2022	EPB	603 - FORENSIC	0.5	\$142.50	Work on [REDACTED] claims
08/10/2022	EPB	603 - FORENSIC	0.5	\$142.50	Claim work re [REDACTED] accounts.
08/10/2022	EPB	603 - FORENSIC	1.2	\$342.00	Continued work on additional claim questions/disputes
08/11/2022	EPB	603 - FORENSIC	0.1	\$28.50	Review and discuss amort schedule
08/11/2022	EPB	603 - FORENSIC	0.1	\$28.50	Call with Wright re claims
08/15/2022	EPB	603 - FORENSIC	0.5	\$142.50	Work on [REDACTED] questions Call with CPA
08/16/2022	EPB	603 - FORENSIC	0.1	\$28.50	Email to Wright re [REDACTED]
08/16/2022	EPB	603 - FORENSIC	0.1	\$28.50	Call with Wright re [REDACTED]
08/23/2022	EPB	603 - FORENSIC	0.75	\$213.75	Email from Wright re [REDACTED] POC. Review and respond.
09/09/2022	EPB	603 - FORENSIC	0.15	\$42.75	Emails re potential implications on clawbacks.
09/12/2022	MTB	603 - FORENSIC	0.1	\$28.50	Email on net winners
09/14/2022	EPB	603 - FORENSIC	0.2	\$57.00	Call with Wright re claims buyers
09/14/2022	EPB	603 - FORENSIC	0.5	\$142.50	Review investor worksheet for information requested.
09/14/2022	EPB	603 - FORENSIC	0.25	\$71.25	Follow-up research and email re [REDACTED]
09/21/2022	EPB	603 - FORENSIC	2.3	\$655.50	Work on [REDACTED] analysis as requested. Email report to Wright.
Subtotal WorkType:603A - Forensic Services			56.350 000000	\$16,059.75	
WorkType:605A - Valuation Services					
06/22/2022	MTB	605 - Valuation Services	4.0	\$1,140.00	Work on review of new records for report on sale of interest
06/29/2022	MTB	605 - Valuation Services	8.0	\$2,280.00	Work on report and review of tax returns and records for report
07/14/2022	MTB	605 - Valuation Services	0.1	\$28.50	Call with Anna Gorman on sales of BI Development and other interests. Discuss settlement offer and purchase price allocation.
07/14/2022	MTB	605 - Valuation Services	0.79	\$225.15	Review membership purchase agreement and documents on Logikul and work on valuation analysis and report to receiver

Middleswarth, Bowers & Co. L.L.P.

Invoice by WorkType with Subtotals

Invoice #I-615

Bill Date Time Date	Client ID Employee	Client Name WorkCode	Hours	Amount	Description
09/30/2022	90105	Horizon Private Equity			
07/18/2022	MTB	605 - Valuation Services	0.35	\$99.75	Work on review of tax returns for Bi Development and other documents
07/20/2022	MTB	605 - Valuation Services	2.0	\$570.00	Work on finalizing report on Bi Development for sale of interests. Review tax returns on Logikul
08/17/2022	MTB	605 - Valuation Services	4.0	\$1,140.00	Research data on private equity discounts for marketability and other discounts
08/17/2022	MTB	605 - Valuation Services	1.5	\$427.50	Continue research and documentation on applicable discounts for private equity valuations
08/18/2022	MTB	605 - Valuation Services	6.0	\$1,710.00	Work on valuation
08/19/2022	MTB	605 - Valuation Services	2.0	\$570.00	Continue research on private equity valuations and discounts
08/23/2022	MTB	605 - Valuation Services	8.0	\$2,280.00	Research on valuation discounts and process for private equity funds
08/24/2022	MTB	605 - Valuation Services	1.0	\$285.00	Work on several valuation matters
08/26/2022	MTB	605 - Valuation Services	8.0	\$2,280.00	Continued research on valuation data and discounts for interest in private equity funds
08/29/2022	MTB	605 - Valuation Services	0.65	\$185.25	Call with Anna on research for fund valuation and offer. Research question for Anna.
08/29/2022	MTB	605 - Valuation Services	1.0	\$285.00	Work on research for private equity fund
08/29/2022	MTB	605 - Valuation Services	2.0	\$570.00	Continue work on research
09/01/2022	EPB	605 - Valuation Services	0.1	\$28.50	Review MTB amortization and WSJ rates
09/02/2022	MTB	605 - Valuation Services	3.0	\$855.00	Work on research for capitalization rate
09/12/2022	MTB	605 - Valuation Services	1.15	\$327.75	Work on [REDACTED] and [REDACTED] re: sale of interest
09/12/2022	MTB	605 - Valuation Services	5.0	\$1,425.00	Work on tax matters and research for return on settlement funds
09/29/2022	MTB	605 - Valuation Services	0.25	\$71.25	Review email from Anna re: [REDACTED] and [REDACTED] Respond to Anna
Subtotal WorkType:605A - Valuation Services			58.89	\$16,783.65	
Invoice Total:			164.19	\$46,794.15	

EXHIBIT C

Receiver's Certification

**IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
ATLANTA DIVISION**

**SECURITIES AND EXCHANGE
COMMISSION,**

Plaintiff,

v.

JOHN J. WOODS, ET AL.,

Defendants,

Civil Action No.
1:21-cv-3413-SDG

**RECEIVER’S CERTIFICATION IN SUPPORT OF FIFTH
APPLICATION FOR COMPENSATION TO
MIDDLESWARTH, BOWERS & COMPANY, LLC,
ACCOUNTANTS AND BUSINESS VALUATION
SERVICES PROVIDER FOR THE RECEIVER**

A. Cotten Wright, the Receiver for the estates of the Receivership Defendants herein, hereby certifies as follows with respect to the *Fifth Application for Compensation to Middleswarth Bowers & Company, LLC, Accountants and Business Valuation Services Provider for the Receiver* and the invoice attached thereto as Exhibit B:

1. This Certification is made in compliance with the Billing Instructions for Receivers in Civil Actions Commenced by the U.S. Securities and Exchange Commission (the “SEC Guidelines”).

2. I am an attorney licensed to practice law in the State of North Carolina and the United States District Court for the Western District of North Carolina. I am a member of the law firm of Grier Wright Martinez, PA (“GWM”).

3. I have read and am familiar with Bowers’ application for compensation and reimbursement of expenses for the period of July 1, 2022 through September 30, 2022 (the “Application”). To the best of my knowledge, information and belief formed after reasonable inquiry, the Application and all fees and expenses set forth therein are true and accurate and comply with the SEC Guidelines.

4. All fees contained in the Application are based on the rates listed in the Bowers’ fee schedule included in Exhibit B, and such fees are reasonable, necessary and commensurate with the skill and experience required for the activity performed.

5. Bowers has not included in the amount for which reimbursement is sought the amortization of the cost of any investment, equipment, or capital outlay in any request for expense reimbursement.

6. In seeking reimbursement for a service which Bowers justifiably purchased or contracted for from a third party (such as copying, imaging, bulk mail, messenger service, overnight courier, computerized research, or title and lien

searches), Bowers requests reimbursement only for the amount billed to Bowers by the third-party vendor and paid by Bowers to such vendor.

7. Bowers does not seek payment for time spent preparing the Application or any documentation in support of the same.

This is the 19th day of October, 2022.

/s/ A. Cotten Wright
A. Cotten Wright
Receiver